

BEFORE THE NEVADA GAMING COMMISSION  
AND THE STATE GAMING CONTROL BOARD

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In the Matter of

CAESARS ENTERTAINMENT, INC.

(Delayed Public Offering)\_\_\_\_\_

ORDER

THIS MATTER came on regularly for hearing before the State Gaming Control Board ("Board") on December 1, 2004, and before the Nevada Gaming Commission ("Commission") on December 16, 2004, in Carson City, Nevada; and

THE BOARD AND COMMISSION having considered all information pertinent hereto;

IT IS HEREBY ORDERED BY THE NEVADA GAMING COMMISSION UPON THE  
RECOMMENDATION OF THE STATE GAMING CONTROL BOARD:

1. THAT the following applications, as amended and supplemented, have been filed:
  - a. The applications of Caesars Entertainment, Inc. for (i) a two year approval of a continuous or delayed public offering by it or any affiliated company wholly-owned by it which is or would thereby become a publicly traded corporation ("Affiliate") and (ii) approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Parball Corporation, Caesars World, Inc., and Consolidated Supplies, Services and Systems in conjunction with a continuous or delayed public offering;
  - b. The applications of Parball Corporation for (i) approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of FHR Corporation and Flamingo Laughlin, Inc., in conjunction with a continuous or delayed public offering and (ii) approval to guarantee securities issued by Caesars Entertainment, Inc. or its

Affiliate(s), in conjunction with a continuous or delayed public offering, and to hypothecate its assets to secure the payment or performance of obligations evidenced by securities issued by Caesars Entertainment, Inc. or its Affiliate(s) in conjunction with a continuous or delayed public offering;

c. The application of Caesars World, Inc., for approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Caesars Palace Corporation in conjunction with a continuous or delayed public offering;

d. The application of Caesars Palace Corporation for approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Desert Palace, Inc., in conjunction with a continuous or delayed public offering;

e. The applications of Desert Palace, Inc., for (i) approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Tele/Info, Inc., in conjunction with a continuous or delayed public offering, and (ii) approval to guarantee securities issued by Caesars Entertainment, Inc. or its Affiliate(s), in conjunction with a continuous or delayed public offering, and to hypothecate its assets to secure payment or performance of obligations evidenced by securities issued by Caesars Entertainment, Inc. or its Affiliate(s) in conjunction with a continuous or delayed public offering; and

f. The applications of FHR Corporation, Flamingo Laughlin, Inc., Tele/Info, Inc., and Consolidated Supplies, Services and Systems for approval to guarantee securities issued by Caesars Entertainment, Inc. or its Affiliate(s), in conjunction with a continuous or delayed public offering, and to hypothecate their assets to secure payment or performance of obligations evidenced by securities issued by Caesars Entertainment, Inc. or its Affiliate(s) in conjunction with a continuous or delayed public offering.

2. THAT for a period of two years, Caesars Entertainment, Inc. and its Affiliate(s) are hereby granted approval, pursuant to NGC Regulation 16.115, to make public offerings, subject to the following conditions:

a. That at all times during the two year period, Caesars Entertainment, Inc. and its Affiliate(s), shall timely file all reports required by Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended;

b. That upon filing documents with the United States Securities and Exchange Commission ("SEC") regarding the sale of any securities for which approval would otherwise be required, Caesars Entertainment, Inc. and its Affiliate(s) shall contemporaneously provide written notice and copies of such documents to the Board's Corporate Securities Division ("Division"), and shall keep said Division continuously and promptly informed as to the progress of any public offering made hereunder and as to any other event that would have a material effect on Caesars Entertainment, Inc. or its subsidiaries which would be subject to reporting on SEC Form 8-K; and

c. That the approval herein granted may be rescinded without prior notice upon the issuance of an interlocutory stop order by the Chairman of the Board. Said interlocutory stop order, if issued, shall remain in effect until the interlocutory stop order is lifted by the Commission upon such terms as are satisfactory to the Commission.

3. THAT the Commission hereby delegates to the Chairman of the Board the authority to issue interlocutory stop orders for any cause deemed reasonable by the Chairman, which shall remain in effect until lifted by the Commission as provided in Paragraph 2(c) above.

4. THAT for a period of two years, Caesars Entertainment, Inc. is hereby granted approval, pursuant to NGC Regulations 15.510.1-4 and 15.585.7-3, as applicable, to place restrictions on the transfer of, and to enter into agreements not to encumber, the equity securities of Parball Corporation, Caesars World, Inc., and Consolidated Supplies, Services and Systems, in conjunction with a public offering made under the approval granted by Paragraph 2 of this Order.

5. THAT for a period of two years, Parball Corporation is hereby granted approval, pursuant to NGC Regulation 15.510.1-4, to place restrictions on the transfer of, and to enter into agreements not to encumber, the equity securities of FHR Corporation and Flamingo Laughlin,

Inc., in conjunction with a public offering made under the approval granted by Paragraph 2 of this Order.

6. THAT for a period of two years, Caesars World, Inc., is granted approval, pursuant to NGC Regulation 15.585.7-3, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Caesars Palace Corporation in conjunction with a public offering made under the approval granted by Paragraph 2 of this Order.

7. THAT for a period of two years, Caesars Palace Corporation is granted approval, pursuant to NGC Regulations 15.510.1-4 and 15.585.7-3, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Desert Palace, Inc., in conjunction with a public offering made under the approval granted by Paragraph 2 of this Order.

8. THAT for a period of two years, Desert Palace, Inc., is granted approval, pursuant to NGC Regulation 15.510.1-4, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Tele/Info, Inc., in conjunction with a public offering made and the approval granted by Paragraph 2 of this Order.

9. THAT for a period of two years, Parball Corporation, FHR Corporation, Flamingo Laughlin, Inc., Desert Palace, Inc., Consolidated Supplies, Services and Systems and Tele/Info, Inc., are each granted approval, pursuant to NGC Regulation 16.100(3), to guarantee securities issued by Caesars Entertainment, Inc. or its Affiliates(s), in conjunction with a public offering made under the approval granted by Paragraph 2 of this Order, and to hypothecate their assets to secure the payment or performance of obligations evidenced by securities issued by Caesars Entertainment, Inc. or its Affiliate(s), in conjunction with a public offering made under the approval granted by Paragraph 2 of this Order.

ENTERED in Carson City, Nevada, this 16<sup>th</sup> day of December 2004.